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U.S. DISTRICT COURT DISTRICT OF NEVADA FILED
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CR-N-96-80-HDM(PHA)

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10 UNITED STATES DISTRICT COURT
11 DISTRICT OF NEVADA

12 UNITED STATES OF AMERICA,)
13)
Plaintiff,)
14)
15 v.)
16)
17)
LAWRENCE CHUNG KWONG,)
18 RAYMOND MING CHEUNG,)
19 Defendants.)

Criminal No.
INDICTMENT FOR VIOLATIONS OF:
TITLE 18, UNITED STATES CODE,
SECTION 1014 - False Statement
on Loan and Credit Application
(Count One)
TITLE 18, UNITED STATES CODE,
SECTION 1343 - Fraud by Wire
(Count Two and Three)
TITLE 18, UNITED STATES CODE,
SECTION 1341 - Mail Fraud
(Counts Four)
TITLE 18, UNITED STATES CODE,
SECTION 2314 - Interstate
Transportation of Stolen
Property (Count Five)
TITLE 18, UNITED STATES CODE,
SECTION 2 - Aiding and Abetting
(Counts One through Five)

1 THE GRAND JURY CHARGES:

2 INTRODUCTION

3 Scheme and Artifice to Defraud

4 Beginning on a date unknown to the Grand Jury, but not
5 later than on or about November 1, 1994 and continuing to on or
6 about January 1, 1996, in the District of Nevada, Central District
7 of California, District of Idaho, District of Arizona and
8 elsewhere,

9 LAWRENCE CHUNG KWONG,
10 RAYMOND MING CHEUNG,

11 defendants herein and other individuals both known and unknown to
12 the Grand Jury, did knowingly and willfully devise and intended to
13 devise a scheme and artifice to defraud and to obtain money and
14 property by means of false and fraudulent pretenses,
15 representations and promises from Carson City Toyota-Honda, First
16 Security Bank of Idaho and Farmers Insurance Group of Companies,
17 well knowing at the time that the pretenses, representations and
18 promises would be and were false when made, the scheme and
19 artifice so devised and intended to be devised being in substance
20 as follows:

21 (a) It was part of the scheme and artifice to defraud
22 that sometime on or before November 15, 1994, defendant LAWRENCE
23 CHUNG KWONG recruited defendant RAYMOND MING CHEUNG, by providing
24 defendant CHEUNG with \$6,000.00 cash currency and instructing
25 defendant CHEUNG, to obtain financing to purchase a 1994 Toyota
26 Camry automobile, VIN # JT20K13E1R0071638 from Carson City Toyota-
Mazda, 3659 South Carson, Carson City, Nevada.

1 (b) It was further part of the scheme and artifice to
2 defraud that sometime on or before November 15, 1994, defendant
3 KWONG instructed defendant CHEUNG, that once the automobile was
4 purchased, it would be turned over to defendant KWONG who would
5 then instruct defendant CHEUNG when to report the automobile
6 stolen.

7 (c) It was further part of the scheme and artifice to
8 defraud that in order to get financing and approval on the loan
9 for the automobile, on or between November 15, 1994 and November
10 17, 1994, defendant CHEUNG would and did represent to First
11 Security Bank of Idaho, that he was purchasing a 1994 Toyota Camry
12 automobile, VIN # JT20K13E1R0071638, as his personal automobile,
13 well knowing that he was purchasing the vehicle on behalf of
14 defendant KWONG, allowing the automobile to be shipped out of
15 state and falsely reporting the automobile stolen to collect
16 insurance proceeds.

17 (d) It was further part of the scheme and artifice to
18 defraud that on or between November 15, 1994 and November 17,
19 1994, defendant CHEUNG would and did represent to Carson City
20 Toyota-Mazda and First Security Bank of Idaho, that he was
21 purchasing a 1994 Toyota Camry automobile, VIN #
22 JT20K13E1R0071638, as his personal automobile, well knowing that
23 he was purchasing the automobile on behalf of defendant KWONG,
24 allowing the automobile to be shipped out of state and falsely
25 reporting the automobile stolen to collect insurance proceeds.

26 (e) It was further part of the scheme and artifice to
defraud that on or between November 15, 1994 and November 17,

1 1994, defendant CHEUNG would and did represent to Farmers
2 Insurance Group of Companies, that he was the owner of the
3 1994 Toyota Camry automobile, VIN # JT20K13E1R0071638, well
4 knowing that he was purchasing the automobile on behalf of
5 defendant KWONG, allowing the automobile to be shipped out of
6 state and falsely reporting the automobile stolen to collect
7 insurance proceeds.

8 (f) It was further part of the scheme and artifice to
9 defraud that on or between November 17, 1994 and November 27,
10 1994, defendant CHEUNG gave a key to the 1994 Toyota Camry
11 automobile, VIN # JT20K13E1R0071638, to defendant KWONG, so the
12 automobile could be transported from the State of Nevada to a port
13 of loading in Los Angeles, California and shipped overseas to Hong
14 Kong, China.

15 (g) It was further part of the scheme and artifice to
16 defraud that on or about January 1, 1995, defendant CHEUNG
17 reported the 1994 Toyota Camry automobile, VIN #
18 JT20K13E1R0071638, stolen to the Reno Police Department and filed
19 a false police report claiming that the vehicle had been stolen,
20 well knowing that the vehicle had not been stolen and had been
21 given to defendant KWONG for shipment overseas.

22 (h) It was further part of the scheme and artifice to
23 defraud that on January 9, 1995 and January 10, 1995, defendant
24 CHEUNG reported the 1994 Toyota Camry automobile, VIN #
25 JT20K13E1R0071638, stolen to Farmers Insurance Group of Companies
26 and filed a false insurance claim and attempted to collect the
proceeds of the insurance policy on the vehicle, well knowing that

1 the vehicle had not been stolen but given to defendant KWONG for
2 shipment overseas.

3 (i) It was further part of the scheme and artifice to
4 defraud that on January 26, 1995, defendant CHEUNG would provide
5 Farmers Insurance Group of Companies a proof of loss statement
6 concerning the alleged theft of a 1994 Toyota Camry automobile,
7 VIN # JT20K13E1R0071638, to substantiate his false insurance claim
8 and attempt to collect the proceeds of the insurance policy on the
9 vehicle, well knowing that the vehicle had not been stolen.

10 (j) It was further part of the scheme and artifice to
11 defraud that on January 30, 1995, defendant CHEUNG negotiated a
12 resolution of his insurance claim in the amount of \$23,039.00 with
13 Farmers Insurance Group of Companies for the alleged theft of a
14 1994 Toyota Camry automobile, VIN # JT20K13E1R0071638, well
15 knowing that the vehicle had not been stolen.

16 (k) It was further part of the scheme and artifice to
17 defraud that on February 6, 1995, defendant CHEUNG received
18 \$23,039.00 from Farmers Insurance Group of Companies for the
19 alleged theft of a 1994 Toyota Camry automobile, VIN #
20 JT20K13E1R0071638, well knowing that the vehicle had not been
21 stolen.

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3 COUNT ONE
4 TITLE 18, UNITED STATES CODE, SECTION 1014
5 (False Statement on Loan and Credit Application)

6 On or between November 15, 1994 and November 17, 1994,
7 in the District of Nevada, District of Idaho and elsewhere,

8 LAWRENCE CHUNG KWONG,
9 RAYMOND MING CHEUNG,

10 defendants herein and other individuals both known and unknown to
11 the Grand Jury, knowingly made a material false statement for the
12 purpose of influencing the action of First Security Bank of Idaho,
13 a federally insured banking institution, in connection with an
14 application for financing and an automobile loan, in that the
15 defendant CHEUNG did represent to First Security Bank of Idaho,
16 that he was purchasing a 1994 Toyota Camry automobile, VIN #
17 JT20K13E1R0071638, as his personal automobile, when in truth and
18 in fact, as the defendant well knew, he was purchasing the vehicle
19 on behalf of defendant KWONG for the purpose of having the
20 automobile shipped overseas and to subsequently report it stolen.
21 Said scheme and artifice to defraud is more particularly described
22 in paragraphs 1(a) through (k) of the Introduction and allegations
23 contained therein are incorporated by reference as if set out in
24 full;

25 All in violation of Title 18, United States Code,
26 Sections 1014 and 2.

COUNT TWO
TITLE 18, UNITED STATES CODE, SECTION 1343
(Fraud by Wire)

On or between November 15, 1994 and November 17, 1994,
in the District of Nevada, District of Idaho and elsewhere,

LAWRENCE CHUNG KWONG,
RAYMOND MING CHEUNG,

defendants herein and other individuals both known and unknown to
the Grand Jury, devised and intended to devise a scheme and
artifice to defraud and obtain money and property by false
pretenses, for the purpose of executing and in order to effect the
scheme and artifice to defraud and obtain money and property, did
cause to be transmitted in interstate commerce by means of a wire
communication certain signs, signals, and sounds, namely a
facsimile concerning the approval of a bank loan on a 1994 Toyota
Camry automobile, VIN # JT20K13E1R0071638, from First Security
Bank of Idaho, P.O. Box 7069, Boise, Idaho 83730 to Carson City
Toyota-Mazda, 3659 South Carson, Carson City, Nevada. Said scheme
and artifice to defraud is more particularly described in
paragraphs 1(a) through (k) of the Introduction and allegations
contained therein are incorporated by reference as if set out in
full;

All in violation of Title 18, United States Code,
Sections 1343 and 2.

1
2 COUNT THREE
3 TITLE 18, UNITED STATES CODE, SECTION 1343
4 (Fraud by Wire)

5 On or about January 24, 1995, in the District of Nevada,
6 District of Arizona and elsewhere,

7 LAWRENCE CHUNG KWONG,
8 RAYMOND MING CHEUNG,

9 defendant herein and other individuals both known and unknown to
10 the Grand Jury, devised and intended to devise a scheme and
11 artifice to defraud and obtain money and property by false
12 pretenses, for the purpose of executing and in order to effect the
13 scheme and artifice to defraud and obtain money and property, did
14 cause to be transmitted in interstate commerce by means of a wire
15 communication certain signs, signals, and sounds, namely a
16 facsimile concerning authority to pay \$23,039.00 on an insurance
17 claim concerning a a 1994 Toyota Camry automobile, VIN #
18 JT20K13E1R0071638, from Farmers Insurance Group of Companies,
19 Phoenix, Arizona to the Reno Branch Claims Office, 480 E. Moana
20 Lane, Reno, Nevada. Said scheme and artifice to defraud is more
21 particularly described in paragraphs 1(a) through (k) of the
22 Introduction and allegations contained therein are incorporated by
23 reference as if set out in full;

24 All in violation of Title 18, United States Code,
25 Sections 1343 and 2.
26

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2 COUNT FOUR
3 TITLE 18, UNITED STATES CODE, SECTION 1341
4 (Mail Fraud)

5 On or about January 26, 1995, in the District of Nevada
6 and elsewhere,

7 LAWRENCE CHUNG KWONG,
8 RAYMOND MING CHEUNG,

9 defendants herein and other individuals both known and unknown to
10 the Grand Jury, devised and intended to devise a scheme and
11 artifice to defraud and obtain money and property by false
12 pretenses, for the purpose of executing and in order to effect the
13 scheme and artifice to defraud and obtain money and property, did
14 knowingly cause to be sent, delivered, mailed and moved by the
15 United States Postal Service and private and commercial carriers
16 and to be delivered according to the directions thereon, a letter
17 addressed to Farmers Insurance Group of Companies, Branch Claims
18 Office, P.O. Box 12067, Reno, Nevada 89520-2067, which contained
19 a Proof of Loss affidavit concerning the theft of a 1994 Toyota
20 Camry automobile, VIN # JT20K13E1R0071638. Said scheme and
21 artifice to defraud is more particularly described in paragraphs
22 1(a) through (k) of the Introduction and allegations contained
23 therein are incorporated by reference as if set out in full;

24 All in violation of Title 18, United States Code,
25 Sections 1341 and 2.
26

COUNT FIVE
TITLE 18, UNITED STATES CODE, SECTION 2314
(Interstate Transportation of Stolen Property)

On or between November 17, 1994 and November 27, 1994,
in the District of Nevada, the Central District of California, and
elsewhere,

LAWRENCE CHUNG KWONG,
RAYMOND MING CHEUNG,

defendants herein and other individuals both known and unknown to
the Grand Jury, did unlawfully transport and cause to be
transported in interstate commerce from the State of Nevada, to
Los Angeles, California, property taken by fraud, to wit, a 1994
Toyota Camry automobile, VIN # JT20K13E1R0071638, of a value of
\$5,000.00 or more, knowing the same to have been taken by fraud;

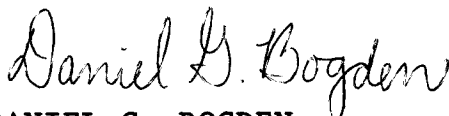
All in violation of Title 18, United States Code,
Sections 2314 and 2.

Dated this 18th day of November, 1996.

A TRUE BILL:


FOREPERSON

KATHRYN E. LANDRETH
United States Attorney


DANIEL G. BOGDEN
Assistant United States Attorney
Organized Crime Drug Enforcement
Task Force